

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison
Company in the 2000/2001 Revenue Adjustment
Proceeding.

Application 01-09-006
(Filed September 4, 2001)

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER
AND ADMINISTRATIVE LAW JUDGE**

1. Summary

This ruling sets forth the procedural schedule, assigns a principal hearing officer, specifies the time and manner for requesting oral argument, and addresses the scope of the proceeding. This ruling follows prehearing conferences (PHC) held on October 22, 2001 and December 3, 2001 pursuant to Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure (Rules).

The schedule we set below is consistent with Section 13 of Senate Bill (SB) 960 (Ch.96-0856), which urges the Commission to complete applications such as this within 18 months of their filing.

2. Background

In Decision (D.) 97-10-057, the Commission established the Transition Revenue Account (TRA) and the revenue adjustment proceeding (RAP). The Commission has twice previously resolved such proceedings. D.99-06-058 resolved the 1998 RAP for Southern California Edison Company (Edison), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E). D.01-01-019 resolved the 1999 RAP.

The original purpose of the RAP was to review, track and compare the authorized revenue requirements with actual recorded revenues and to authorize any necessary adjustments or updates to the authorized revenues. Over the course of several filings, the Commission expanded the scope of the RAP to include such issues as reasonableness reviews of Low Emission Vehicle Program¹ (LEV), administration of its special contracts, and monitoring of Federal Energy Regulatory Commission (FERC) decisions regarding the recovery of Reliability Must-Run (RMR) costs in the wholesale market.²

On September 4, 2001, Edison filed its 2000/2001 RAP application seeking to resolve a series of issues pertaining to its operations and certain regulatory accounts. The Office of Ratepayer Advocates (ORA) filed a timely protest. At the October 22, 2001 PHC, we determined to review Edison's filing separately from that of PG&E. In light of other regulatory developments, we granted Edison a continuation of the PHC to December 3, 2001.

On November 30, 2001, Edison amended its application. A Settlement Agreement between Edison and the Commission³ necessitated changes. ORA filed a timely protest to the amended application. In its January 29, 2002 response to ORA's protest, Edison noted that it had uncovered an error in its testimony, and stated that it would file Errata replacing part of its testimony. On

¹ D.99-06-058.

² D.01-01-019, Ordering Paragraph 3.

³ Settlement Agreement Between Southern California Edison Company and the California Public Utilities Commission dated October 2, 2001 in *Southern California Edison Company v. Loretta Lynch, et al.* United States District Court for the Central District of California, Case No. CV-00-10256-RSWL(Mcx).

February 26, 2001, via letter, Edison proposed a schedule for resolving the outstanding issues in this proceeding and noted ORA's acquiescence to it.

3. Scope of Proceeding

In the amended Application (A.) 01-09-006, Edison proposes that the principal issues to be considered involve Commission approval of:

“The reasonableness of SCE's [Southern California Edison] costs and expenses incurred in connection with SCE's Commission-approved Low Emission Vehicle Programs and SCE's operation and administration of those programs;

“The administration of SCE's Special Contracts with Dow Chemical Company, Mobil Oil Company, TOSCO and Eisenhower Medical Center.”⁴

In addition, Edison asks that the Commission approve its compliance with Ordering Paragraph 3 of D.01-01-019 regarding Edison's reports to FERC on the recovery of Reliability Must-Run costs.

ORA's protest did not take issue with the scope of the proceeding. On an issue raised by TURN concerning the calculation of certain credits at the December 3, 2001 PHC, ORA noted that “the methodology of calculating the Post-PX closure Direct Access Credit was moved to a separate docket, A.98-07-003.”⁵ ORA stated that it supports the removal of this issue from this proceeding. TURN did not file a protest or a reply.

⁴ Amended Application of Southern California Edison Company (U338 E) in the 2000/2001 Revenue Adjustment Proceeding, November 30, 2001, page 5.

⁵ Protest of the ORA to the Amended 2000/2001 Revenue Adjustment Proceeding Application of Southern California Edison Company, January 14, 2002, p. 2.

In summary, there is no dispute concerning the scope of this proceeding. Thus, the scope of this proceeding shall include issues concerning LEVs, Special Contracts, and compliance with Ordering Paragraph 3 of D.01-01-019.

4. Discovery

Parties did not discuss specific discovery issues in the PHC. Consequently, we will adopt traditional discovery procedures, with discovery starting immediately and extending to five days before the start of evidentiary hearings.

Parties may make reasonable discovery requests and recipients should strive to comply with them, both in a timely fashion. Any discovery disputes which the parties cannot resolve between themselves, after good faith efforts to meet and confer, may be brought to Administrative Law Judge (ALJ) Sullivan, who may rule himself or refer the dispute to the Commission's Law and Motion ALJ.

5. Schedule

No party voiced any opposition to the dates contained in Edison's February 26, 2002 letter, which was served on all parties. We therefore adopt the schedule as proposed for testimony, evidentiary hearings and briefing dates. We amend the schedule to include discovery dates and alter the date for the proposed decision.

These actions result in the event table immediately below.

Event	Date
Application Filed	September 4, 2001
Prehearing Conference; Discovery Commences	October 21, 2001
Notices of Intent to Claim Compensation Due	November 21, 2001
Amended Application Filed	November 30, 2001
Second Prehearing Conference	December 3, 2001
Protests Due	January 14, 2002
Response to Protests	January 29, 2002
Errata Served	March 8, 2002
ORA & Intervenors Serve Testimony	April 8, 2002
Rebuttal Testimony Served	May 6, 2002
End of Discovery	May 28, 2002
Evidentiary Hearings	June 3-4, 2002
Concurrent Opening Briefs Filed (including any request for oral argument before the Commission)	July 8, 2002
Concurrent Reply Briefs Filed and Projected Submission Date	July 22, 2002
Proposed Decision Issues	September 21, 2002
Target for Final Commission Decision	October 21, 2002

The evidentiary hearings will commence at 9:30 a.m. in San Francisco on June 3, 2002. The parties may make short opening remarks at the opening of the evidentiary hearing, focusing on the critical facts that the upcoming testimony will demonstrate. Prepared written testimony shall be served on parties, but not filed. The parties will have the opportunity to address legal and policy issues in briefs.

6. Category of Proceeding, Need for Hearings, and *Ex Parte* Rules

This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3071, filed on September 20, 2001, that the category for this proceeding is ratesetting and that hearings are necessary. This ruling, only as to category, is appealable under the procedures in Rule 6.4. The ex parte rules as set forth in Rule 7 (c) of the Commission's Rules of Practice and Procedure apply to this proceeding.

7. Principal Hearing Officer and Final Oral Argument

Pursuant to Public Utilities Code § 1701.3, ALJ Sullivan is designated as the principal hearing officer in this application.

As stated in the schedule above, and pursuant to Rule 8(d), parties requesting final oral argument before the Commission should include that request in their concurrent brief, filed after hearing.

8. Service List and Electronic Distribution of Pleadings

The current service list for this proceeding, as consolidated, is attached to this ruling as Appendix A. A current service list for this proceeding is also available on the Commission's web page, www.cpuc.ca.gov.

In addition to the required service (per Rule 2.3), all parties are encouraged to distribute all pleadings and testimony in electronic form to those parties that provided an electronic mail address to the Commission. Testimony must also be served in a paper format to avoid differences in pagination that can complicate the cross-examination of witnesses. The electronic addresses of all parties to the proceeding can be found in the comma-delimited service list file.

No later than noon on May 29, 2002 the parties are to meet by phone or otherwise and confer to discuss the following:

1. Issues to be addressed in the hearing, and specifically, whether any issues have been narrowed or amended;
2. Proposed witness schedule;
3. Cross-examination time estimates;
4. Witness constraints, scheduling problems, travel concerns, etc., if any;
5. Exhibit Lists. Each party is to exchange its exhibit list with the other party participating in the hearing. Each exhibit list shall contain the name of the offering party and/or sponsoring witness. The exhibit list for the hearing should also include the nature of any objection to admission of an exhibit by any part or the statement of "no objection."

All exhibits shall be pre-marked for identification Edison will use 1-99; ORA, 100-199. Other parties preparing exhibits should call ALJ Sullivan to request an assignment of numbers. Further requirements with respect to exhibits are set forth in Appendix B.

Following the meet-and-confer, Edison shall prepare a meet-and-confer statement summarizing the above information. This should be e-mailed to ALJ Sullivan at tjs@cpuc.ca.gov and all parties and filed by the close of business on May 31, 2002.

Therefore, **IT IS RULED** that:

1. The scope of this proceeding is set forth in Section 3 of this ruling.
2. The schedule of this proceeding is set forth in Section 5 of this ruling.
3. This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3071, filed on September 20, 2001, that the category for this proceeding is ratesetting and that hearings are necessary. This ruling, only as to category, is appealable under the procedures in Rule 6.4.
4. The *ex parte* rules as set forth in Rule 7(c) of the Commission's Rules of Practice and Procedure apply to this application.

5. ALJ Sullivan is the principal hearing officer in this application.

6. The official service list is attached to this ruling as Appendix A. Parties should serve all filings on parties listed on the service list, including those identified as “State Service.” Parties are not required to serve those individuals listed under “Information Only.” In addition, parties are encouraged to distribute all pleadings and testimony in electronic form to those parties that provided an electronic mail address to the Commission consistent with the procedures discussed at the prehearing conference.

7. Appendix B contains directions concerning the preparation and identification of exhibits. Parties shall follow these directions.

8. Edison shall file and serve the meet-and-confer statement as set forth in Section 8 of this ruling.

Dated March 8, 2002, at San Francisco, California.

/s/ Timothy J. Sullivan
Timothy J. Sullivan
Administrative Law Judge

/s/ Geoffrey F. Brown
Geoffrey F. Brown
Assigned Commissioner

Appendix A

Appearance

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(END OF APPENDIX A)

Appendix B

Appendix B EXHIBITS

Service of Exhibits

All prepared written testimony shall be served on all appearances and state service on the service list, as well as on the Assigned Commissioner's office and on the Assigned ALJ. Do NOT file prepared written testimony with the Commission's Docket Office. (Such testimony becomes part of the record only after it is admitted into evidence.)

Identification of Exhibits in the Hearing Room

Each party sponsoring an exhibit shall, in the hearing room, provide **two copies to the ALJ and one to the court reporter**, and have at least 5 copies available for distribution to parties present in the hearing room. **The upper right hand corner of the exhibit cover sheet shall be blank for the ALJ's exhibit stamp.** Please note that this directive applies to cross-examination exhibits as well. If there is not sufficient room in the upper right hand corner for an exhibit stamp, please prepare a cover sheet for the cross-examination exhibit.

Cross-examination With Exhibits

As a general rule, if a party intends to introduce an exhibit in the course of cross-examination, the party should provide a copy of the exhibit to the witness and the witness' counsel before the witness takes the stand on the day the exhibit is to be introduced. Generally, a party is not required to give the witness an advance copy of the document if it is to be used for purposes of impeachment or to obtain the witness' spontaneous reaction. An exception might exist if parties have otherwise agreed to prior disclosure, such as in the case of confidential documents.

Corrections to Exhibits

Generally, corrections to an exhibit should be made in advance and not orally from the witness stand. Corrections should be made in a timely manner by providing new exhibit pages on which corrections appear. The original text to be deleted should be lined out with the substitute or added text shown above or inserted. Each correction page should be marked with the word "revised" and the revision date.

Exhibit corrections will receive the same number as the original exhibit plus a letter to identify the correction. Corrections of exhibits with multiple sponsors will also be identified by chapter number. For example, Exhibit 5-3-B is the second correction made to Chapter 3 of Exhibit 5.

(End of Appendix B)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge on all parties of record in this proceeding or their attorneys of record.

Dated March 8, 2002, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.